

Landing Page

Canada is the solution for America's energy security.

Global events are shining a light on the importance of energy security for the United States. Canada's oil is trusted oil. And a study of major oil producing nations recognizes Canada as a clear, indisputable leader in environmental, social and governance (ESG) standards.

Canada should be the preferred choice for energy supply to the United States. If not Canada, who are you entrusting your country's energy security to?



Canadian oil sands project

Why should America choose Canadian energy?

Experts agree that even with the most aggressive push for renewable energy the transition to a low-carbon economy is decades away. In the meantime, the United States continues to require oil to power the nation. And when America chooses Canadian oil, it helps provide reliable, responsible, and affordable energy that is committed to environmental excellence.

Canada's oil and gas sector invests more than \$1 billion per year in research and development to make production more environmentally friendly. Canada's investments in cleaner oil production outpace the rest of the world and over the last 10 years have consistently reduced the emissions per barrel (also known as the "emissions intensity").



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4.9%

CANADA

8.0%

OPEC

Source: U.S. Energy Information Administration, Imports by Country of Origin, 2021

Canadian oil is produced under strict environmental and social standards.

In 2021, the United States imported over 245 million barrels of oil and products from Russia and now its energy supply is at risk. The ban of Russian oil by countries around the world has meant a surge in gas prices. Importing more oil from Canada would improve America's energy security in the long run.

Canada's oil is produced under some of the world's highest safety and environmental laws. In fact, a study of major oil producing nations recognises Canada as the undisputable leader in environmental, social and governance (ESG) standards. Other countries currently supplying the U.S. with oil include Saudi Arabia, Iran, Iraq, Nigeria, and Mexico.

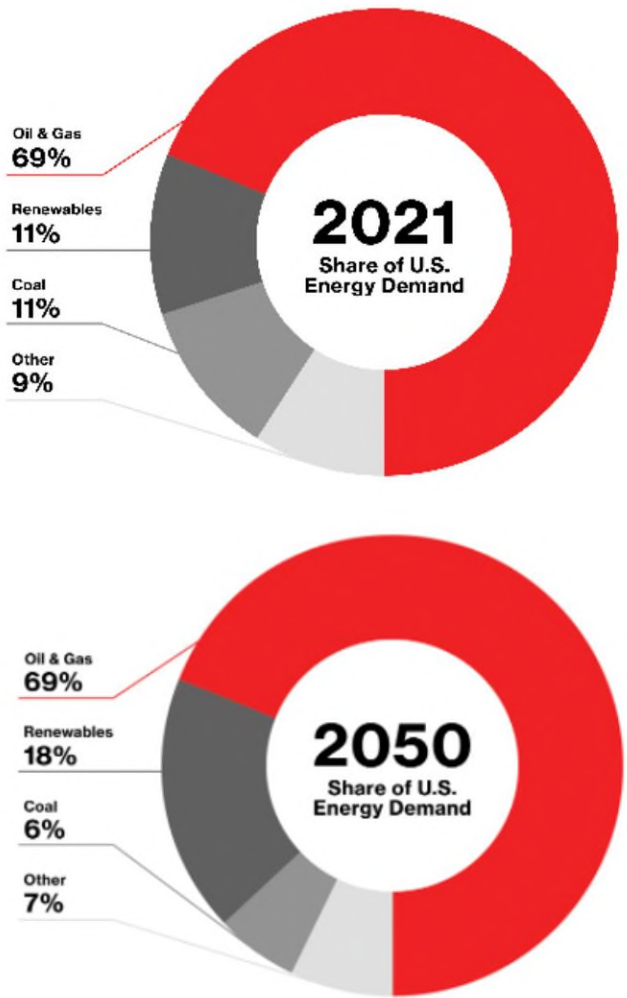
Transitioning to a low carbon future will be led by the energy industry.

Today less than 12% of all U.S. energy demand is met by renewable energy. Meanwhile 69% of energy needs are met by oil and gas. Although renewables supply is expected to grow over the next 30 years, overall demand for energy is expected to increase well beyond renewable growth, continuing the trend of high demand for oil and gas.

As renewable supply grows over the coming decades, it will absorb share from less environmentally sustainable energy sources like coal, but overall demand for oil and gas is projected to remain about the same. That's why it's important that the oil supply shipped into the U.S. should be produced as responsibly as possible.

In the oil sands, where most of Canada's oil comes from, producers are outpacing the world in their work to reduce emissions. So far, they have been successful in reducing emissions per barrel, and analysts expect that total emissions will start to go down in the next five years.

Major oil sands producers have jointly committed to decade-by-decade targets to reach net zero emissions by 2050.



Source: EIA Annual Energy Outlook 2022

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Canadian Oil Sands Worker Walking Through Constructed Wetland Reclamation Project

Take action today and secure responsible energy for the future.

If you think the U.S. should work more closely with Canada to develop a long-term and secure source of energy that will be required for decades to come, we encourage you to reach out to your member of congress and let them know your concern.

You can also show your support for responsible energy by following [Friendly Energy on social media](#). And if you sign up for our newsletter below, we can help you stay informed on Canada's role in the future of America's energy security.

The United States needs secure and responsible energy supply. Look no further than Canada. After all, not all oil is created equal.

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Explore More Content

Want to know more about how responsible Canadian energy is produced? Explore the articles below to learn about Canada's leading environmental, social and governance (ESG) standards.



Canada's oil industry leads the world in ESG - but what does that mean?

Canada's oil is better for the environment and the world because of the way it's produced.

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The 2021 tyranny index for oil and gas

Not all oil is created equal with almost half of global oil production coming from nations that are oppressive to their people.

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Oil sands on path to total emissions reductions

Canada's innovation projected to decrease oil sands greenhouse gas emissions within five years.

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Why Canadian oil should be the preferred choice for the U.S.

Experts say that the U.S. should move away from OPEC nations for its oil supply and look to their northern neighbour for import needs.



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Article #1

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Canada is the Solution // Canada's oil industry leads the world in ESG - but what does that mean?



Photo courtesy Trans Mountain Corporation.

Canada's oil industry leads the world in ESG - but what does that mean?

by Deborah Jaremko

Supporters of Canada's oil and gas industry often say that Canada leads the world in "ESG." But what does that mean, and why does it matter?

ESG stands for environmental, social, and governance performance. It measures a variety of metrics including greenhouse gas emissions, water use, Indigenous engagement, worker safety, diversity and inclusion, and regulatory processes.

BMO Capital Markets analyst Jared Dziuba specializes in ESG as it relates to Canadian oil and gas. He explains why it's so important.

What does ESG mean when we're talking about oil and gas?

What ESG is really all about is how sustainable a business is from those three areas of perspective, and the relative risks that this poses for the business and its investors. For the oil and gas industry, it tends to be heavily focused on environmental impact, but the social and the governance aspects of ESG are increasingly important.

Governance, in particular, is really important. It includes things like regulatory standards, government policy, and corporate oversight. It's really the key enabler of better environmental and social practices throughout a company and the industry.

Article #1

Why does this matter? Isn't oil and gas a dying industry?

While we do see a transition happening in a number of different ways, we believe that the global demand for petroleum products is going to remain for quite a bit longer than what some people expect.

[For example] the growth of electric vehicles is being replaced by growth in demand for things like petrochemicals, and areas of the market where it's a lot harder to replace petroleum products with alternatives [like aviation and heavy-duty shipping].

When you look at these net zero scenarios that are out there that everyone's talking about, they are just that, they're just scenarios. Even in an aggressive transition or net zero scenario, I think the fundamental factor that people tend to forget about is supply.

Global oil supply declines naturally by five to six per cent per year. So that's five or six million barrels per day per year of potential decline if we stop investing in oil supply.

What we are seeing now, with all the transition pressure on major oil companies, is unprecedented underinvestment in oil and gas supply globally, which could have meaningful implications for energy availability and affordability going forward. One could argue this is an ethical concern in and of itself.

If we really care about the health of the environment and these other ESG factors, we really want to have that investment in new supply come from countries that take ESG factors very seriously. When we look at Canada's history and its performance over time, it does suggest that it should play a really prominent role in that future.

How does Canada's performance stack up compared to other major global oil producers?

What ESG is really all about is how sustainable a business is from those three areas of perspective, and the relative risks that this poses for the business and its investors. For the oil and gas industry, it tends to be heavily focused on environmental impact, but the social and the governance aspects of ESG are increasingly important.

Governance, in particular, is really important. It includes things like regulatory standards, government policy, and corporate oversight. It's really the key enabler of better environmental and social practices throughout a company and the industry.

Article #1

Why does Canada rank so highly?

We like to say Canada’s energy companies have been practicing ESG since before it was really a popular thing to talk about.

That stems from this long history of extra scrutiny that the Canadian industry has been put under, and certainly over time the industry practices have improved immensely. It’s really because of this early scrutiny that shaped the world-class regulatory system, and the corporate oversight that we have in place in Canada’s oil industry today. And it’s motivated companies to take further action than most other producers globally.

The most important example of this is research and development in new technology, where Canada’s top oil sands producers have really led global investment in R&D over the past decade. They’ve invested over \$11 billion cumulatively since 2010, and that’s more on a per barrel basis than even the global oil majors.

It’s also highly collaborative in terms of technology development, which really isn’t seen elsewhere in the industry. The bottom line is that this has really driven a lot of innovation that drastically improved the environmental performance of the Canadian oil industry. And the expectation is that that’s going to continue.

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Canada is the Solution // The 2021 tyranny index for oil and gas



Russian President Vladimir Putin (L) meets with Saudi Arabia's Crown Prince Mohammed bin Salman in Riyadh, Saudi Arabia, on October 14, 2019. Getty Images photo

The 2021 tyranny index for oil and gas

by Mark Milke and Lennie Kaplan

Oil, natural gas, and freedom rankings

This Fact Sheet examines worldwide oil and natural gas production and market share over four decades for countries in three categories: nations (or territories) that are Free, Partly Free, or Not Free. The freedom rankings are from Freedom House, a Washington D.C.-based think tank which has measured and ranked countries and territories by their degree of freedom since 1973.¹ The data on oil and natural gas production are from the U.S. Energy Information Administration (EIA), a U.S. government agency.

Article #2

Tyrannies and energy production

The use of tyranny in the title of this Fact Sheet is a nod to the dictionary definition where one categorization of tyranny is ‘oppressive power’ and especially as ‘oppressive power exerted by government.’ In essence, “Not Free” and “tyranny”—while not always interchangeable — overlap enough for our purposes: to give readers a sense of where oil and natural gas production occurs and under what type of regime.

This matters for a variety of reasons. As the data show, there is a shift to higher proportions of oil and gas production to countries that are dictatorial and authoritarian. The result is that the money consumers pay for oil and natural gas is increasingly directed to Not Free regimes that can then use energy revenues to suppress their own people and/or where substantial revenues flow to regime leaders. This is the case in Russia,² Saudi Arabia,³ and Venezuela,⁴ among others.

Also, Not Free regimes can wield significant power over the supply of oil and natural gas exported to vulnerable populations. This occurred in 2009 when Russia cut natural gas supplied to **Ukraine in mid-winter** over a pricing dispute. There is also potential pressure on governments. A recent example is the **concern expressed in Germany** over the almost completed Nordstream 2 natural gas pipeline from Russia with its terminus in Germany, and the reality of greater German reliance on Russian natural gas imports.

This concern became acute after the August 2020 poisoning of Russian Opposition leader Alexei Navalny, which **German Chancellor Angela Merkel**, among others, **blamed on the Kremlin**. Of note, the head of Germany’s parliamentary committee on foreign affairs, Norbert Röttgen, even **urged of cancellation** of Nord Stream 2. He argued that “We need to respond with the only language that (Russian President) Putin understands, the language of natural gas.” Meanwhile, Poland’s foreign minister Konrad Szymanski **also cited** the poisoning as a reason why Nord Stream 2 must be abandoned, arguing that the new natural gas pipeline “will make the European Union economically dependent on Russia and undermine our ability to take decisive steps against this type of malign behavior.”

With that context, we examine comprehensive production data for petroleum and other liquids and dry natural gas (“oil” and “natural gas” for our purposes) from 1980 to 2019. We match up the data from the EIA and Freedom House to track whether the proportion of oil and natural gas controlled, directly or indirectly, by Not Free countries is increasing or decreasing.

1. Freedom House’ definition of freedom and system of rankings is available on its website at About Us. We use three Freedom House rankings— Free, Partly Free, or Not Free—to group oil and gas producing countries collectively. The “data + ranking” match is given for every ten-year mark with the exception of 2018 for natural gas.
2. GAN Business Anti-Corruption Portal on Russia: “The economy suffers from graft and a misuse of billions of dollars in public revenue energy sales; however, the government shows little intention of fighting the issue and is oftentimes a beneficiary.”
3. Transparency International on Saudi Arabia: “Notably, almost total opacity in public accounting prevents ordinary Saudis from understanding how much of the state income generated by massive oil revenues ends up as private wealth for the royal family and its clients.”
4. Transparency International on Venezuela: “Instead of fulfilling the social and economic rights of millions of citizens for which huge sums of public funds were allocated in a decade of high oil prices, the efforts went to lining pockets.

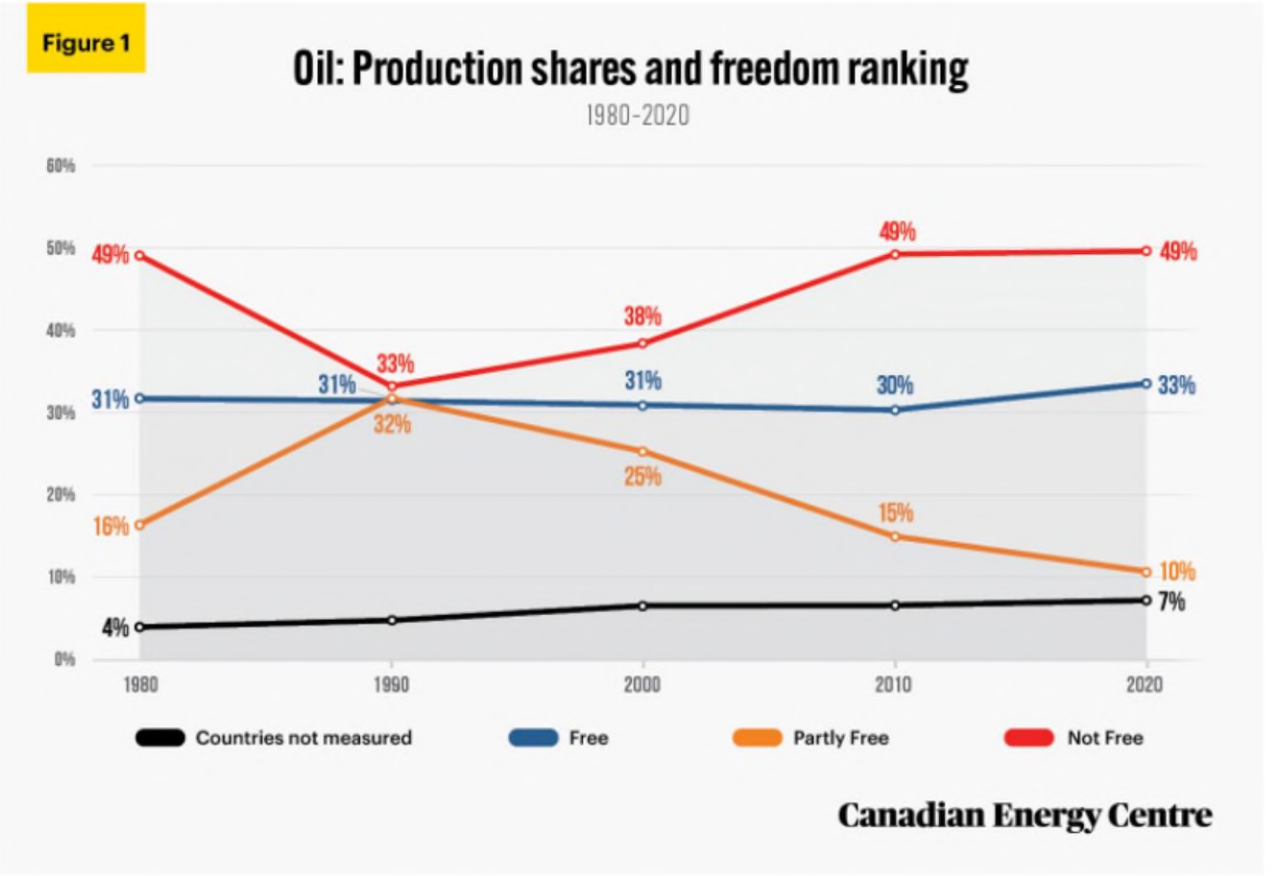
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Oil 1980-2020: Rising share of production in Not Free countries

For oil comparisons (Figures 1 and 2a and 2b), those countries with more than half-a-million barrels of daily production (based on annual averages) in at least one year between 1980 and 2020 were matched with their Freedom House ranking. Countries with less than 500,000 barrels of daily production were not collectively ranked and fall into the “Not Measured” category. Proportions measured by freedom category thus ranged from 93 to 96 per cent of all oil production depending on the year.

Some observations from the data:

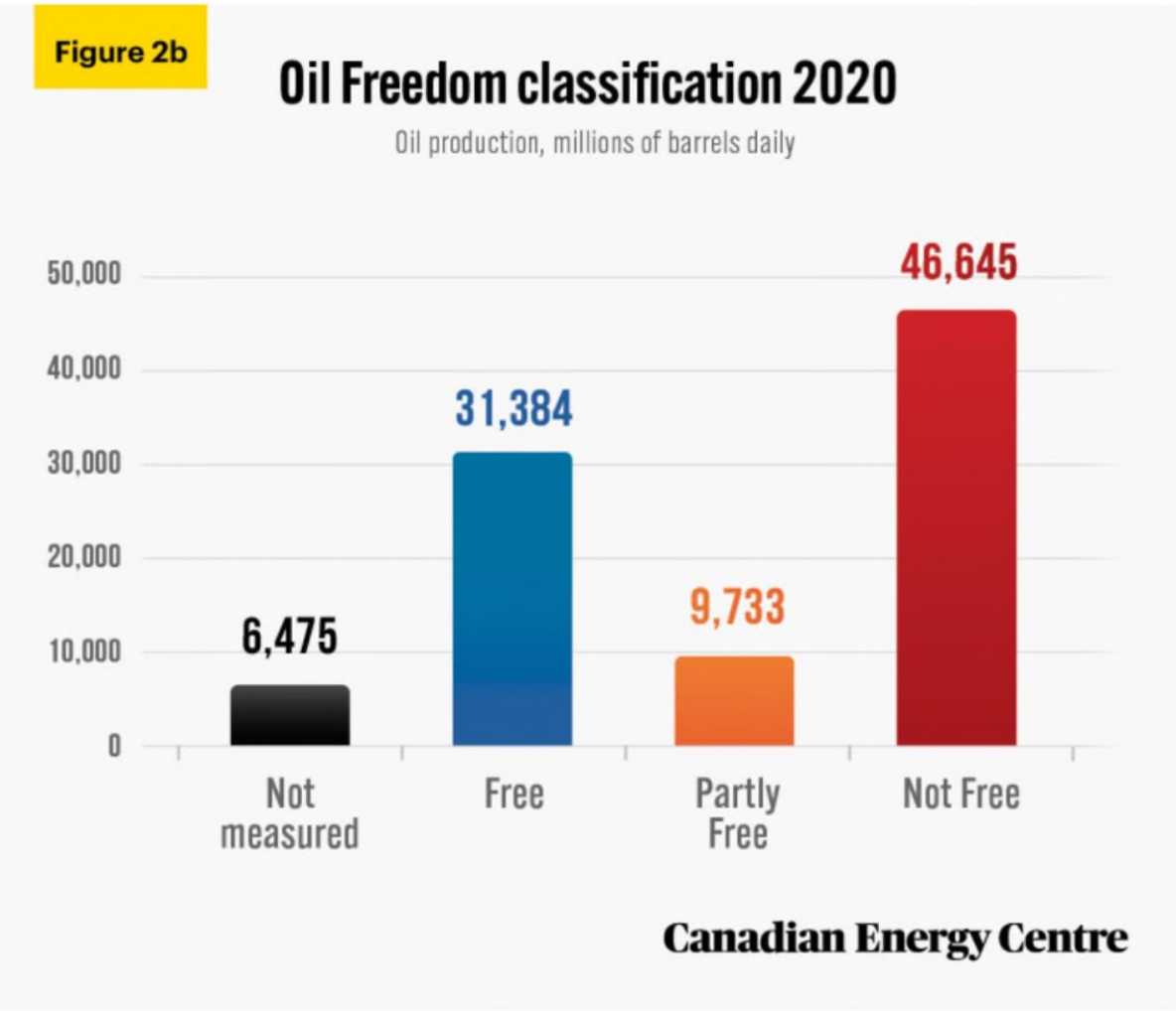
- In 1980, 49 per cent of the world’s oil production (an annual average of 64 million barrels per day) occurred in countries that Freedom House ranked as Not Free, compared with 31 per cent in Free countries and 16 per cent in Partly Free countries. Four per cent were not classified (by CEC) given their minimal production.



Sources: Freedom House (2021). *Countries and Territory Ratings and Statuses, 1973-2021*. U.S. Energy Information Administration (2021).

- Production in Free countries was proportionally stable at between 31 and 34 per cent over the whole period.
- The low-point for the share of oil production by Not Free countries was in 1990. This was partly due to the opening up the Soviet Union and eastern and central European countries in the late 1980s and continuing into the 1990s. In 1990, countries such as the Soviet Union, which were formerly classified Not Free in 1980, were categorized as Partly Free. However, by 2010, Russia, the dominant successor state to the Soviet Union, moved from Partly Free (in 2000) back to the Soviet Union’s 1980 ranking: Not free.
- Over time, other major oil-producing nations also saw their freedom rankings change. For example, Venezuela was categorized as Free in 1980 and 1990; Partly Free in 2000 and 2010; and Not Free in 2020. This added to the increased proportion of Not Free-producing countries’ oil production share.

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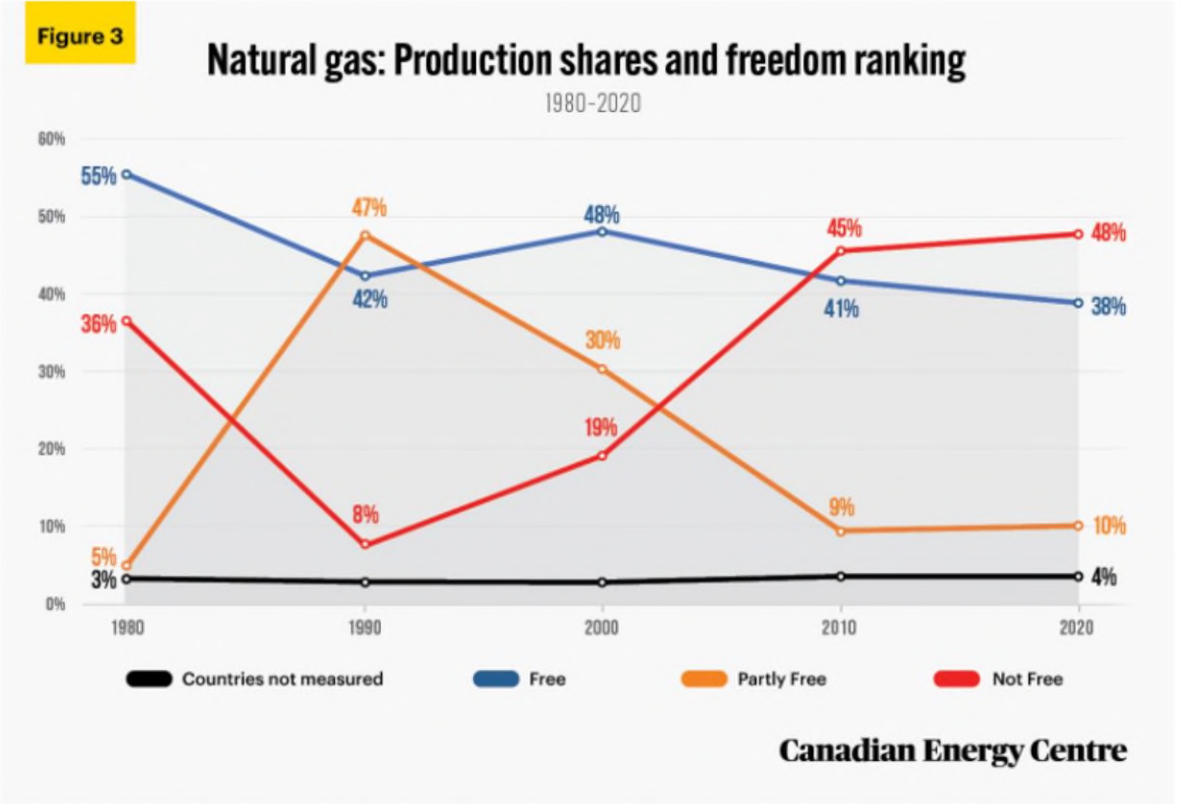
Sources: Freedom House (2021). *Countries and Territory Ratings and Statues, 1973-2021*. U.S. Energy Information Administration (2021).

Natural gas 1980-2018: Rising share of production in Not Free countries

For natural gas comparisons, countries with more than 500 million cubic feet per year of production in at least one year between 1980 and 2018 were matched with their Freedom House ranking. Countries with less than 500 million cubic feet per year were not collectively ranked and fall into the “Not Measured” category of all gas production. Proportions measured by freedom category thus ranged from 96 to 97 per cent depending on the year.

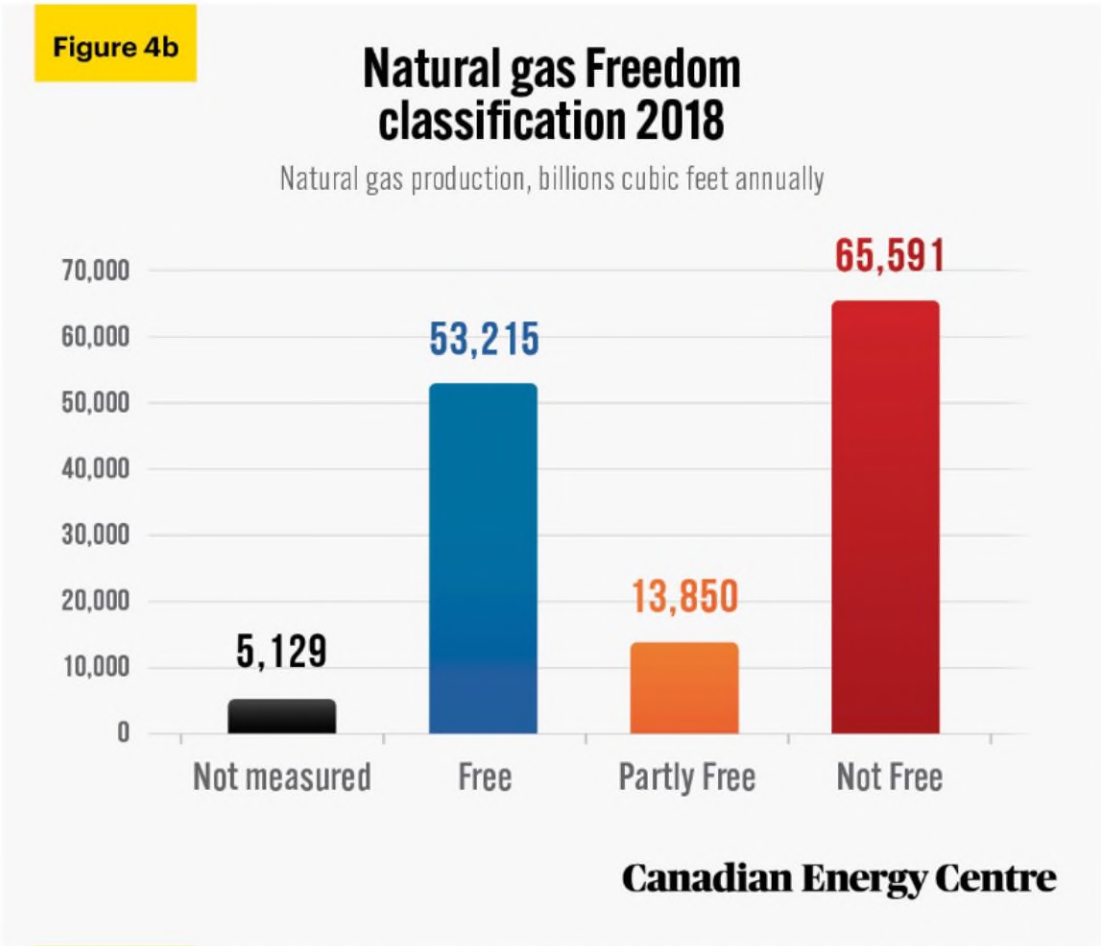
Some observations from the data:

- The majority of natural gas production in 1980 was in Free countries, at 55 per cent. This proportion has since declined to 38 per cent as of 2018.



Sources: Freedom House (2021). *Countries and Territory Ratings and Statues, 1973-2021*. U.S. Energy Information Administration, International Statistics.

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Sources: Freedom House (2021). *Countries and Territory Ratings and Statutes, 1973-2021*. U.S. Energy Information Administration, *International Statistics*.

Summary: 49% of oil and 48% of natural gas production comes from Not Free countries

With the most recent data available, as of 2020, 49 per cent of global oil production comes from nations that Freedom House tracks as Not Free. That compares to a 33 per cent share of oil production in Free and 10 per cent in Partly Free countries.

For natural gas, 48 per cent of global production came from countries characterized as Not Free in 2018, down one per cent from 2017, but was otherwise the highest proportion observed in the last four decades. That was higher than the proportion of production in Free (39 per cent) or Partly Free (10 per cent) nations.

There are limited options for citizens, companies, and governments in democracies in dealing with regimes that order state-owned oil energy companies to flood the market with additional supply or that restrict natural gas exports; in both cases using energy as a geopolitical weapon.

Appendix A

Oil production 1980 to 2020

	1980	1990	2000	2010	2019	2020
Share of world production, in %						
Countries not measured	4%	4%	6%	6%	5%	7%
Free	31%	31%	31%	30%	33%	33%
Partly Free	16%	32%	25%	15%	11%	10%
Not Free	49%	33%	38%	49%	51%	49%
Total	100%	100%	100%	100%	100%	100%

	1980	1990	2000	2010	2019	2020
Millions of barrels of oil daily, annual average						
Countries not measured	2.3	2.9	4.8	5.6	4.7	6.5
Free	20.1	20.7	23.8	26.6	32.7	31.4
Partly Free	10.3	20.9	19.5	12.9	11.5	9.7
Not Free	31.3	21.9	29.6	43.5	51.7	46.6
Total	64.0	66.4	77.7	88.6	100.7	94.2

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Sources: Freedom House (2021). *Countries and Territory Ratings and Statutes, 1973-*

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Sources: Freedom House (2021). Countries and Territory Ratings and Statutes, 1973-2021. U.S. Energy Information Administration (2021). Petroleum and other liquids production.

However, supply options matter: Countries with limited natural gas suppliers in Europe or in Asia, for example, will always find it more and not less difficult to ally with other democracies on critical matters such as civil rights, a free media, religious freedom, free expression, and other freedoms if their oil and gas supplies are subject to near monopoly influence by the regime in a country that is Not Free.

In the context of debates over oil and gas extraction and exports, it should matter if countries such as Canada, the United States, Australia, Norway and other democracies ranked as Free are able to extract and export more oil and natural gas. Other issues beyond energy and the economy matter, including the environment. However, in a world where a greater share of oil and natural gas production is coming from autocracies, the security of supply and national interest matter in parallel to the economy and the environment. Production statistics are measured in this Fact Sheet for that reason and for consideration by policymakers and the public.

Appendix B	Natural gas production 1980 to 2018					
	1980	1990	2000	2010	2017	2018
	Share of world production, in %					
Countries not measured	3%	3%	3%	4%	4%	4%
Free	55%	42%	48%	41%	38%	38%
Partly Free	5%	47%	30%	9%	10%	10%
Not Free	36%	8%	19%	45%	49%	48%
Total	100%	100%	100%	100%	100%	100%
	1980	1990	2000	2010	2019	2020
	Billions cubic feet (bcf) annual					
Countries not measured	1,816	2,132	2,452	4,204	4,854	5,129
Free	29,479	30,893	41,527	46,886	49,650	53,215
Partly Free	2,710	34,841	26,213	10,670	12,719	13,850
Not Free	19,373	5,521	16,578	51,325	63,528	65,591
Total	53,378	73,387	86,770	113,085	130,751	137,785
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Sources: Freedom House (2021). Countries and Territory Ratings and Statutes, 1973-2021. U.S. Energy Information Administration, International Statistics.

Notes

This CEC Fact Sheet was compiled by Mark Milke and Lennie Kaplan at the Canadian Energy Centre: www.canadianenergycentre.ca. The authors and the Canadian Energy Centre would like to thank and acknowledge the assistance of Philip Cross in reviewing the original data and research for this Fact Sheet. Image credits: Shanghai, China by Saunak Shah from Pexels.com.

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Canada is the Solution // Oil sands on path to total emissions reductions



Photo courtesy Cenovus Energy

Oil sands on path to total emissions reductions

Canada's oil sands sector is poised for a major environmental improvement within the next five years. According to **new analysis** by consultancy IHS Markit, total oil sands greenhouse gas emissions are on track to start going down.

This follows more than a decade of producers consistently decreasing emissions per barrel, otherwise known as emissions intensity.

“Intensity improvements can add up, and they can result in absolute emission reductions,” says Kevin Birn, IHS Markit's head of GHG estimation.

“If the industry keeps doing what it's been doing pretty much consecutively for the last 11 years, then it is destined to overtake a slowing pace of production growth which has frankly outpaced improvements over the past decade.”

Oil sands production is expected to continue increasing, albeit at a slower pace. IHS Markit's most recent forecast sees oil sands production **rising to 3.6 million barrels per day** in 2030, nearly 650,000 barrels per day more than in 2021.

IHS Markit said that average oil sands emissions intensity has declined by 20 per cent since 2009, or a drop of about 17 kilograms of CO2 equivalent per barrel. Average oil sands intensity is now 69 kgCO2e, and as low as 41 kgCO2e at some projects. IHS Markit prior analysis has shown oil sands to be within the range of other crude oil consumed in North America, Birn says.

The improvement comes from a combination of factors including improved efficiency at projects that combine oil sands mining and upgrading, and a greater share of production from less emissions-intensive operations.

Emissions decreases in the future could be even more dramatic than IHS Markit currently projects, Birn says, as the industry focuses more on total emissions. The Oil Sands Pathways to Net Zero consortium, for example, which represents more than 95 per cent of production, has a **2030 target** to reduce total emissions by 22 million tonnes relative to 2018.

Total oil sands emissions were 83 million tonnes in 2019, **according to** the latest data from the Government of Canada.

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Canada is the Solution // Why Canadian oil should be the preferred choice for the U.S.



Crown Prince of Saudi Arabia Mohammad bin Salman al-Saud and Russian President Vladimir Putin look on during the opening day of Argentina G20 Leaders' Summit on November 30, 2018 in Buenos Aires, Argentina. Getty Images photo.

Why Canadian oil should be the preferred choice for the U.S.

by Deborah Jaremko

To fill the hole left by banning imports of oil and oil products from Russia, the U.S. is looking to OPEC nations like Saudi Arabia, Venezuela and Iran to increase supply. Meanwhile, the U.S. is shutting out more oil from Canada, its closest neighbor and ally.

The problem was clear even before Russia's invasion of Ukraine. After cancelling the Keystone XL pipeline from Canada on his first day in office, President Joe Biden asked for OPEC nations and Russia to increase oil supply to lower pump prices for Americans.

They said no, and U.S. gasoline prices continued to rise. Amid the growing global energy security crisis, on average U.S. consumers are now paying more than US\$1.30 per gallon than one year ago, according to the U.S. Energy Information Administration (EIA).

"[OPEC+] oil largely comes from areas that do not like the U.S.," says Phil Skolnick, New York-based analyst with Eight Capital.

That increases risk for American consumers.

"We've ceded more control to OPEC, and Saudi Arabia and Russia, than people would have expected or hoped for," says Dan Tsubouchi, chief market strategist with equity firm SAF Group.

Article #4

The U.S. needs Canadian oil

U.S. domestic oil production surged over the last decade, and at the same time so did imports from Canada.

Renewable energy sources are growing, but oil and gas will continue to be critical for the foreseeable future.

The U.S. is expected to consume approximately 19 million barrels per day of petroleum and other liquids in 2050, an 11 per cent increase from 2021, according to EIA data.

Over decades, U.S. refiners have spent billions to be able to process more “heavy oil” like what is primarily produced in Canada, according to IHS Markit.

Ahead of the curve

The decision to look to OPEC instead of Canada ignores the progress Canada’s oil producers have made addressing greenhouse gas emissions.

Work has “materially outpaced” global oil majors, according to analysts with BMO Capital Markets.

Average emissions per barrel in Canada’s oil sands decreased by about 27 per cent from 2013 to 2019, compared to a decrease of just 13 per cent by other major global oil producers.

Several oil sands projects now have a GHG footprint that is lower than the global average, and major producers have jointly committed to decade-by-decade targets to reach net-zero emissions by 2050.

According to a recent study by consultancy IHS Markit, total oil sands emissions – not just emissions per barrel – are on track to start decreasing in the next five years, even as production continues to grow.

Americans should look to their northern neighbor for energy security, not OPEC nations.

